

7A Am. Jur. 2d Automobiles § 177

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Automobiles and Highway Traffic

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III. Licensing, Taxation, and Registration


D. Financial Responsibility or Security Requirements

2. Motor Carriers

§ 177. Validity of statutes and ordinances—Carriers engaged in interstate commerce

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

West's Key Number Digest, [Automobiles](#)  88 to 95

Federal law prescribes certain minimum levels of financial responsibility sufficient to cover public liability and property damage for the transportation of passengers for compensation by motor vehicle¹ and sufficient to cover public liability, property damage, and environmental restoration for the transportation of property by a motor carrier or motor private carrier² in the United States between a place in a state and³—

- (1) a place in another state;
- (2) another place in the same state through a place outside of that state; or
- (3) a place outside the United States.

Evidence of financial responsibility for the transporting of passengers may be established by evidence of one or a combination of the following:⁴

- (1) insurance, including high self-retention;
- (2) a guarantee; or
- (3) a surety bond issued by a bonding company authorized to do business in the United States.

Similarly, evidence of financial responsibility for the transporting of property may be established by evidence of one or a combination of:⁵

- (1) insurance;
- (2) a guarantee;
- (3) a surety bond issued by a bonding company authorized to do business in the United States; or
- (4) qualification as a self-insurer.

Federal laws requiring common carriers to maintain adequate insurance do not conflict with state laws providing remedies to persons injured as a result of vehicle accidents involving common carriers; instead, such federal laws enhance the likelihood of recovery of any damages that may be awarded under state law.⁶ State agencies rules regarding proof of liability insurance for intermittent international commercial carriers are not preempted by federal law where there is no overlap between carriers to which federal requirements apply.⁷ However, state laws which require carriers of hazardous materials to submit more documentation than contemplated by federal law are preempted by federal law.⁸

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Footnotes

- 1 49 U.S.C.A. § 31138(a)(1).
- 2 49 U.S.C.A. § 31139(b).
- 3 49 U.S.C.A. §§ 31138(a), 31139(b).
- 4 49 U.S.C.A. § 31138(c).
- 5 49 U.S.C.A. § 31139(f).
- 6 *Carway v. Progressive County Mut. Ins. Co.*, 183 B.R. 769 (S.D. Tex. 1995).
- 7 *International Ins. Agency, Inc. v. Railroad Com'n of Texas*, 893 S.W.2d 204 (Tex. App. Austin 1995), writ denied, (Aug. 30, 1995).
- 8 *Colorado Public Utilities Com'n v. Harmon*, 951 F.2d 1571 (10th Cir. 1991).

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